



PRESS RELEASE

PIERREL S.P.A.: THE CDA APPROVED THE DRAFT FINANCIAL STATEMENT AT 31 DECEMBER 2022

Results of Pierrel at 31 December 2022:

- **Total revenues of about € 24.8 million**, in line with the about € 25 million estimated by the Board of Directors of Pierrel S.p.A. on 27 April 2022, and up by about 36% compared to 31 December 2021, when they amounted to about € 18.2 million at a standalone level;
 - **Positive EBITDA of about € 4.9 million**, an increase of about 17% compared to about € 4.2 million as estimated by the Board of Directors of Pierrel S.p.A. on 27 April 2022 and communicated to the market on the same date, and significantly up compared to 31 December 2021, when it was positive for about € 1.1 million at a standalone level;
 - **EBIT positive for about € 2.1 million, of which about € 2.7 million for amortization**, in contrast to 31 December 2021, when it was, at a standalone level, negative for about € 0.3 million, including about € 1.5 million for amortization;
 - **Positive net result of about € 1.4 million**, in contrast with the net loss of about € 0.4 recorded by Pierrel S.p.A. stand alone at 31 December 2021;
 - **Consolidated net financial debt of about € 21.0 million**, showing an increase of some 66% compared to 31 December 2021, when it was about € 12.7 million at a standalone level. The increase covered new investments of approximately Euro 10 million.
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- **The main economic and financial objectives of the Company for 2023 have been approved: revenue of about € 31.0 million and EBITDA of about € 6.0 million.**
 - **The Report on the remuneration policy and the compensation paid and the Annual Report on corporate governance and the ownership structure of Pierrel S.p.A. were approved.**
 - **The ordinary Shareholders' Meeting of Pierrel S.p.A., in single convocation, is convened for 20 April 2023 to deliberate on: (a) the approval of the financial statements of Pierrel S.p.A. as at 31 December 2022 and the allocation of the profit for the year; and (b) the Report on the remuneration policy and remuneration paid of Pierrel S.p.A.**
 - **Modification of the 2023 corporate events calendar**



Capua (CE), 8 March 2023 – The Board of Directors of Pierrel S.p.A. ("**Pierrel**" or the "**Company**"), a global provider of services for the pharmaceutical industry whose shares are listed on the Euronext Milan organized and managed by Borsa Italiana S.p.A. (Ticker: PRL), meeting today examined and approved **Pierrel draft financial statements for the year ended 31 December 2022** which records a **net profit for the year of about € 1.4 million**.

A brief description of the Company's results as at 31 December 2022 is provided below; please note that, effective 1 December (for further information, see the press release published by the Company on 1 December 2022 and available on the Pierrel website at www.pierrelgroup.com, News&Press/Press Releases section), the company Pierrel Pharma S.r.l., 100% controlled by the Company, was merged by incorporation into Pierrel which, therefore, incorporated all the economic - financial and assets. Consequently, in this press release, Pierrel results as at 31 December 2022 are compared with the results achieved by Pierrel stand alone at 31 December 2021 (for further information on these stand alone results, please refer to the press release published by the Company on 27 April 2022 and available on Pierrel website at www.pierrelgroup.com, News&Press/Press Releases section).

The managing director and general manager of Pierrel, Mr Fulvio Citaredo, stated: *"I am satisfied with the results achieved in 2022 and I always thank all the employees and collaborators who, with commitment, passion and professionalism, allow the company to continue in the important and ambitious growth project.*

The company is well represented by the draft financial statements at 31 December 2022 whose positive balance sheet and economic-financial values, together with the main performance indicators, which are also all positive, are the result of many years in which we planned and implemented several corporate streamlining projects, which concerned all the Company's business areas and aimed at achieving and maintaining medium-long term objectives. These results have been achieved despite the difficulties and uncertainties that have strongly influenced, and in some cases completely transformed, the related socio-economic context.

As I have repeatedly reiterated in the past, the great work done so far has served to build solid foundations and an adequate framework to support the growing volume of business that the Company expects to be able to register in the near future as a result of both the new registrations of our products and the imminent increase in production capacity.

We started 2023 with the same passion, attention and balance that defines us, but with the awareness of new challenges to achieve ever more ambitious goals".

As at 31 December 2022, **the Company** recorded **revenues of about € 24.8 million**, with an increase of 36% compared to the € 18.2 million achieved at a stand-alone level in 2021, and a **positive EBITDA** of about € 4 .9 million, a significant increase compared to 31 December 2021, when it was equal to € 1.1 million.

The increase in turnover compared to the previous year is attributable to an increase in volumes, but also and mainly to an increase in the selling prices of products, in particular those with own brands. EBITDA, which benefits from the positive effect of the increase in volumes and prices, as well as the first positive effects deriving from the merge of Pierrel Pharma S.r.l. in the Company (for further information on these synergies, please refer to the merger project approved by the Company's Board of Directors on 15 June 2022 and, subsequently, by the Company's Shareholders' Meeting of 27 July 2022 and available on the website of Pierrel at www.pierrelgroup.com, section *Investor Relations/Governance Documents/Documentation for shareholders/Documentation of shareholders' meetings/Shareholders' meeting of 27 July 2022*), records a significant increase compared to the figure achieved by the Company at 31 December



2021. It should also be noted that, during the 2022 financial year, for the reasons already communicated to the market (see, among others, the press release published by the Company on November 11, 2022 and available on the Pierrel website at www.pierrelgroup.com, *News&Press/Press Releases* section to which reference should be made for further details), the Company has decided to choose a different mix of products than in 2021, partially reducing the sale of own-brand products, which have a higher margin, in favor of greater production on behalf of third parties.

The company's **net financial position** at 31 December 2022 was negative for some € 21.1 million, worsening when compared to 31 December 2021, when it was negative for some € 12.7 million at a standalone level. This turnaround is attributable, in its absolute value, almost exclusively to the reduction in cash and cash equivalents used by the Company during the year for the planned investment plan.

Financial management at 31 December 2022 **was negative by about € 0.7 million**, in line with the values reported in the previous year when it was negative by about € 0.6 million, and includes the currency adjustment attributable to the debt (expressed in North American dollars) equal to about € 0.4 million as at 31 December 2022 (compared to about € 0.5 million as at 31 December 2021) still owed by Pierrel to the American customer Dentsply International Inc. for an amount as at 31 December 2022 equal, by way of interest and principal, to about € 5.7 million.

In consideration of all of the above, at **31 December 2022** Pierrel recorded a **net profit** of some **€ 1.4 million**, in contrast to the net loss of about € 0.4 million recorded by the Company at a standalone level at 31 December 2021.

During the same meeting, the Company's Board of Directors also resolved to propose to the Pierrel Shareholders' Meeting to allocate the profit for the year achieved by the Company at 31 December 2022, in part (and, precisely, the 5% and, therefore, an amount of about € 70 thousand), to the legal reserve in compliance with the provisions of art. 2430 of the civil code and, for the remainder, to the newly established reserve to be called "retained earnings reserve".

No significant events occurred after the closing date of the financial year.

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The Pierrel Board of Directors also approved the Company budget for the year 2023 which provides for **gross revenues of about € 31.0 million** and a **positive EBITDA of about € 6.0 million**.

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During the same meeting, the Company's Board of Directors also approved the **Report on the remuneration policy and remuneration paid** pursuant to art. 123-ter of the D.Lgs. 24 February 1998, no. 58, as subsequently amended and supplemented (the "**TUF**") and art. 84–quater of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers Regulation**") and the **Annual Report on corporate governance and ownership structures** for the 2022 financial year drawn up pursuant to art. 123-bis of the TUF.

This report will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the offices of Borsa Italiana S.p.A., as well as on the Company's website at www.pierrelgroup.com, section *Investor Relations/Governance Documents/Shareholders documents/Shareholders meeting documents/Meeting of 20 April 2023*



and at the Nis-Storage authorized storage mechanism (www.emarketstorage.com) according to the terms and procedures of the law.

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The Board of Directors of the Company also resolved to convene Pierrel's Shareholders' Meeting, in ordinary session, for 20 April 2023 to discuss and resolve on: (a) the approval of the financial statements of Pierrel S.p.A. as at 31 December 2022 and the allocation of the profit for the year; and (b) the approval, with a binding vote, of the first Section of the Report on the remuneration policy and the fees paid and, with a non-binding vote, of the second Section of the report itself.

Lastly, the Pierrel Board of Directors approved the explanatory reports on the matters on the agenda of the aforementioned Shareholders' Meeting prepared pursuant to and for the purposes of article 125-ter of the TUF. These reports, together with all the other documentation relating to the items on the agenda of the aforementioned Shareholders' Meeting, will be made available to the public at the registered office of the Company in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the offices of Borsa Italiana S.p.A., as well as on the Company's website at www.pierrelgroup.com, section *Investor Relations/Governance documents/Shareholders documents/Shareholders' meeting documents/Meeting of 20 April 2023* and at the Nis-Storage authorized storage mechanism (www.emarketstorage.com) according to the terms and procedures of the law.

Pursuant to art. 125-bis of the TUF and art. 84 of the Issuers' Regulation, the Company announces that the notice of call of the aforementioned Shareholders' Meeting will be published within the terms of the law and the Bylaws.

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Pierrel's annual financial report as at 31 December 2022 (which includes the draft financial statements at 31 December 2022, accompanied by the relative reports of the Pierrel Board of Directors on operations and the certification pursuant to art 154-bis of the TUF), together with the relative reports of the Board of Statutory Auditors of the Company and of the auditing firm, will be made available to the public at the Company's registered office in Capua (CE), Strada Statale Appia 7-bis, no. 46/48 and at the headquarters of Borsa Italiana S.p.A., as well as on the Company's website, www.pierrelgroup.com, in the *Investor Relations / Governance Documents / Documentation for Shareholders / Shareholders' Meeting Documentation/Meeting of 20 April 2023* section, and at the authorized storage mechanism Nis-Storage (www.emarketstorage.com) in accordance with the terms and conditions of the law.

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Finally, also pursuant to article 2.6.2 of the Borsa Italiana S.p.A. Regulation, the Company announces that, as a partial integration of what is indicated in the press releases published by the Company on 23 December 2022 and 3 March 2023, both available on the website of the Company at www.pierrelgroup.com, News & Press/Press Releases section, the Shareholders' meeting to approve the financial statements for the year ended 31 December 2022 will be held on 20 April 2023.

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The executive responsible for the preparation of corporate accounting documents of Pierrel S.p.A., Mr Francesco Pepe, declares— pursuant to Article 154-bis, Paragraph 2 of the TUF, that the accounting information related to the condensed consolidated half-year financial statements of Pierrel at 31 December 2022, as reported in this press release, corresponds to the documented results, accounting records and accounting entries of the company.

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In addition to the standard financial indicators required by the IFRS, this document contains some alternative performance indicators for the data at 31 December 2022 in order to allow a better appraisal of the economic and financial position of the Company. These indicators are presented in the other annual financial reports and interim reports, but should not be considered as replacements for the conventional indicators recommended by the IFRS.

Below is a brief description of the alternative performance indicators mentioned in this press release:

- **“EBIT” or “operating result”** indicates the difference between the gross operating result and the value of amortization, write-downs and provisions and represents the operating result prior to financial management and taxation;
- **“EBITDA” or “gross operating result”** indicates the difference between sales revenues and costs related to the consumption of materials, cost of services, labor costs and the net balance of operating income and write-downs and represents the operating result before amortization, depreciation and provisions , financial management and taxation;
- **“Net financial debt”** is an indicator of the financial structure of the Company. It is calculated as the result of short and long-term financial payables and related derivative instruments, net of cash and cash equivalents and financial assets.

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The balance sheet, the income statement and the cash flow statement of Pierrel at 31 December 2022 are shown below.

Assets		
<i>(Euro)</i>	31 December 2022	31 December 2021
Intangible assets	8.766.378	1.483.172
Tangible assets	32.157.135	23.371.683
Leased assets	1.444.489	275.698
Investments	9.755	4.574.475
Other non current assets and sundry receivables	13.850	
Active deferred taxes	5.274.522	5.274.522
Non-current assets	47.666.129	34.979.550
Inventories	6.248.866	3.756.518
Trade receivables	4.788.482	621.851
<i>of which vs. related parties</i>		<i>396.018</i>
Tax receivables	969.658	775.233
Other current assets and sundry receivables	3.086.600	1.897.924
<i>of which vs. related parties</i>		<i>768.534</i>
Cash and cash equivalents	5.544.451	3.472.868
Current assets	20.638.057	10.524.394
TOTAL ASSETS	68.304.186	45.503.944

Equity and liabilities

<i>(Euro)</i>	31 December 2022	31 December 2021
Share capital	3.716.342	3.716.342
Reserves and Retained earnings	19.377.240	16.660.998
Loss for the year	1.357.728	(405.143)
Equity	24.451.310	19.972.197
Employee benefits	256.190	291.092
Non-current financial liabilities	23.633.411	15.410.123
<i>of which vs. related parties</i>	<i>4.692.468</i>	
Other current liabilities and sundry payables	4.540.539	2.228.824
Non-current liabilities	28.430.140	17.930.039
Trade payables	8.223.144	4.193.400
<i>of which vs. related parties</i>		<i>40.389</i>
Current financial liabilities	2.965.863	717.747
Current tax payables	-	64.060
Short-term provisions for liabilities	80.000	
Other current liabilities and sundry payables	4.153.729	2.626.501
<i>of which vs. related parties</i>	<i>30.000</i>	<i>30.000</i>
Current liabilities	15.422.736	7.601.708
TOTAL LIABILITIES	43.852.876	25.531.747
TOTAL EQUITY AND LIABILITIES	68.304.186	45.503.944

Separated income statement

<i>(Euro)</i>	Fiscal year 2022	Fiscal year 2021
Revenues from ordinary operations	23.122.098	15.577.759
Other revenues and income	1.649.695	2.598.074
<i>of which vs. related parties</i>		11.665.485
<i>of which non-recurring</i>	655.992	426.411
Total revenues	24.771.793	18.175.833
Raw materials and consumables used	(7.197.958)	(6.560.690)
<i>of which vs. related parties</i>		(107.186)
Sundry services	(4.815.598)	(2.070.886)
<i>of which non-recurring</i>	(9.984)	(5.500)
Third-party goods	(105.601)	(136.266)
Personnel costs	(6.562.055)	(6.474.966)
<i>of which vs. related parties</i>	(60.000)	(60.000)
<i>of which non-recurring</i>	(72.045)	
Other provisions and costs	(1.239.881)	(1.790.088)
<i>of which vs. related parties</i>	(5.565)	(9.975)
<i>of which non-recurring</i>	(46.552)	(67.536)
Earnings Before Interest, Tax, Depreciation and Amortisation	4.850.700	1.142.937
Amortisation and depreciation	(2.349.839)	(1.471.673)
Net recoveries/(Impairment) of tangible and intangible assets	(375.757)	(18.958)
<i>of which non-recurring</i>	(375.757)	(18.958)
Operating profit/(loss)	2.125.104	(347.694)
Financial expenses	(979.818)	(618.543)
<i>of which vs. related parties</i>	(137.501)	(29.098)
Financial income	296.983	153
Profit/(loss) before tax	1.442.269	(966.084)
Income tax	(84.541)	560.941
<i>of which non-recurring</i>		
NET PROFIT/(LOSS) FOR THE PERIOD	1.357.728	(405.143)

(*) of which € 365 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment losses on Dentsply debt equal to € 453 thousand as at 31 December 2021)

Average common shares outstanding as of 31 December	228.881.275	228.881.275
Net Profit/(Loss) for the period	1.357.728	(405.143)
Basic and diluted net result per share	0,0059	(0,0018)

Cash flow statement

<i>(Euro)</i>	Fiscal year 2022	Fiscal year 2021
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR	1.357.728	(405.143)
Amortisation and depreciation	2.195.902	1.411.762
Amortisation of leased assets	153.937	59.911
Provisions and write-downs	(46.667)	197.579
Net recoveries/(Impairment) of tangible and intangible assets	375.757	18.958
Other (gain)/Loss on assets	1.839	2.793
Net financial expenses*	623.709	618.390
Movement in inventories	(2.347.889)	(918.128)
Movement in trade receivables	(1.040.247)	134.947
Movement in trade payables	3.749.153	1.540.453
Income tax	84.541	(560.941)
Net movement in other non-current assets and liabilities	2.531.080	918.692
Net movement in other current assets and liabilities	(183.406)	(419.897)
Movement in employee benefits	(34.902)	(32.659)
Cash flow from continuing operations	7.420.535	2.566.717
Outflow for the acquisition of tangible assets	(9.896.520)	(9.899.522)
Outflow for the acquisition of intangible assets	(638.216)	(513.751)
Net movement in other non-current assets and liabilities	1.097.715	-
Cash flow from investing activities	(9.437.021)	(10.413.273)
Increase medium/long-term loans	5.000.000	10.014.082
Increase short-term loans	132.311	262.544
Repayment of short-term loans	(861.210)	(1.605.627)
Paid net financial expenses	(311.806)	(125.873)
Cash flow from financing activities	3.959.295	8.545.126
TOTAL CASH FLOW FOR THE YEAR	1.942.809	698.570
Net cash and cash equivalents at the start of the year	3.472.868	2.772.596
Increase in liquid assets from the merger	221.891	-
Total cash flow for the year	1.942.809	698.570
Exchange effect	(93.117)	1.702
Net cash and cash equivalents at the end of the year	5.544.451	3.472.868

() of which € 365 thousand relating to exchange rate adjustment losses on Dentsply debt (exchange rate adjustment losses on Dentsply debt equal to € 453 thousand as at 31 December 2021)*

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Pierrel S.p.A. is a pharmaceutical industry provider specializing in the development, production, registration and licensing of synthetic drugs - regional local anesthetics - and medical devices for the oral health sector. Based in Capua (CE), listed on the Euronext Milan market organized and managed by Borsa Italiana S.p.A., Pierrel is authorized by EMA ("European Medicines Agency") and FDA ("Food and Drug Administration") for the aseptic production of injectable drugs. After over seventy years of experience, Pierrel is one of the world's leading manufacturers of own-brand dental anesthetics, including Orabloc® marketed in most of the world markets, such as *North America, Russia and Europe* and with a significant market share in the USA.



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